

STATE OF CALIFORNIA

DEPARTMENT OF MANAGED HEALTH CARE

HEALTH CARE SERVICE PLAN

QUARTERLY FINANCIAL REPORTING FORM

		1
1.	FOR THE QUARTER ENDING:	September 30, 2003
2.	Name:	Health Net Dental, Inc.
3.	File Number:(Enter last three digits) 933-0	171
4.	Date Incorporated or Organized:	June 12, 1972
5.	Date Licensed as a HCSP:	February 29, 1984
6.	Date Federally Qualified as a HCSP:	N/A
7.	Date Commenced Operation:	February 29, 1984
8.	Mailing Address:	125 Technology Drive, Suite 100, Irvine, CA 92618
9.	Address of Main Administrative Office:	125 Technology Drive, Suite 100, Irvine, CA 92618
10.	Telephone Number:	949-790-3400
11.	HCSP's ID Number:	94-2197624
12.	Principal Location of Books and Records:	125 Technology Drive, Suite 100, Irvine, CA 92618
13.	Plan Contact Person and Phone Number:	David William Anderson, 949-790-3400 ext. 215
14.	Financial Reporting Contact Person and Phone Number:	Roupen (NMN) Berberian, 818-676-8256
15.	President:*	David William Anderson
16.	Secretary:*	Steven Daniel Sickle
17.	Chief Financial Officer:*	Roupen (NMN) Berberian, Vice President, CFO and Treasurer
18.	Other Officers:*	Douglas Andrew King, Senior Vice President and General Manager
19.		
20.		
21.		
22.	Directors:*	David William Anderson
23.		Christopher Poole Wing
24.		Douglas Andrew King
25.		Steven Daniel Sickle
26.		
27.		
28.		
29.		
30.		
31.		

The officers listed on lines 15 through 17 of the health care service plan noted on line 2, being duly sworn, each for himself or herself, deposes and says that they are the officers of the said health care service plan, and that, for the reporting period stated above, all of the herein assets were the absolute property of the said health care service plan, free and clear from any liens or claims thereon, except as herein stated, and that these financial statements, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said health care service plan as of the reporting period stated above, and of its income and deductions therefrom for the period reported, according to the best of their information, knowledge and belief, respectively.

32.	President	David William Anderson (please type for valid signature)
33.	Secretary	Steven Daniel Sickle (please type for valid signature)
34.	Chief Financial Officer	Roupen (NMN) Berberian (please type for valid signature)
* Show full name (initials not accepted) and indicate by sign (#) those officers and directors who did not occupy the indicated position in the previous statement.		
35.	Check if this is a revised filing, and complete question 7 on page 2: <input type="checkbox"/>	
36.	If all dollar amounts are reported in thousands (000), check here: <input type="checkbox"/>	

Check My Work.

STATE OF CALIFORNIA
DEPARTMENT OF MANAGED HEALTH CARE
HEALTH CARE SERVICE PLAN

QUARTERLY FINANCIAL REPORTING FORM
SUPPLEMENTAL INFORMATION

		1
1.	Are footnote disclosures attached with this filing?	Yes <input type="button" value="v"/>
2.	Is the attached reporting form filed on a consolidated or combined basis? If "Yes", the plan is required to file consolidating or combining schedules.	No <input type="button" value="v"/>
3.	Is the plan required to file additional information (i.e. parent/affiliate financial statements, claims reports, etc.) that is required by the Department?	No <input type="button" value="v"/>
4.	Have the Restricted Assets changed from the previous quarterly filing? If "yes", complete Schedule A-2 (Restricted Assets).	No <input type="button" value="v"/>
5.	Are there any significant changes reported on Schedule G, Section III?	No <input type="button" value="v"/>
6.	If "yes", describe:	Notes to Financial Statements are prepared in a Word Document and are attached with the Orange Blanks.
7.	If this is a revised reporting form, what is/are the reason(s) for the revision?	

STATEMENT AS OF 9-30-2003 OF 933-0171 Health Net Dental, Inc.

REPORT #1 ---- PART A: ASSETS

1	2
CURRENT ASSETS:	Current Period
1. Cash and Cash Equivalents	6,210,926
2. Short-Term Investments	1,910,223
3. Premiums Receivable - Net	1,954,870
4. Interest Receivable	15,964
5. Shared Risk Receivables - Net	
6. Other Health Care Receivables - Net	
7. Prepaid Expenses	39,126
8. Secured Affiliate Receivables - Current	
9. Unsecured Affiliate Receivables - Current	484,062
10. Aggregate Write-Ins for Current Assets	355,567
11. TOTAL CURRENT ASSETS (Items 1 to 10)	10,970,738
OTHER ASSETS:	
12. Restricted Assets	410,728
13. Long-Term Investments	
14. Intangible Assets and Goodwill - Net	
15. Secured Affiliate Receivables - Long-Term	
16. Unsecured Affiliate Receivables - Past Due	520
17. Aggregate Write-Ins for Other Assets	25,500
18. TOTAL OTHER ASSETS (Items 12 to 17)	436,748
PROPERTY AND EQUIPMENT	
19. Land, Building and Improvements	
20. Furniture and Equipment - Net	176,165
21. Computer Equipment - Net	235,994
22. Leasehold Improvements -Net	357
23. Construction in Progress	
24. Software Development Costs	442,321
25. Aggregate Write-Ins for Other Equipment	0
26. TOTAL PROPERTY AND EQUIPMENT (Items 19 to 25)	854,837
27. TOTAL ASSETS	12,262,323
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR CURRENT ASSETS	
1001. Deferred Federal Tax Assets - Short Term	274,436
1002. Deferred State Tax Assets - Short Term	81,131
1003.	
1004.	
1098. Summary of remaining write-ins for Item 10 from overflow page	
1099. TOTALS (Items 1001 thru 1004 plus 1098)	355,567
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER ASSETS	
1701. Deposits	25,500
1702.	
1703.	
1704.	
1798. Summary of remaining write-ins for Item 17 from overflow page	
1799. TOTALS (Items 1701 thru 1704 plus 1798)	25,500
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER EQUIPMENT	
2501.	
2502.	
2503.	
2504.	
2598. Summary of remaining write-ins for Item 25 from overflow page	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	0

STATEMENT AS OF 9-30-2003 OF 933-0171 Health Net Dental, Inc.

REPORT #1 ---- PART B: LIABILITIES AND NET WORTH

1	2	3	4
CURRENT LIABILITIES:	Current Period		
	Contracting	Non-Contracting	Total
1. Trade Accounts Payable	202,098	XXX	202,098
2. Capitation Payable	66,943	XXX	66,943
3. Claims Payable (Reported)	1,354,652		1,354,652
4. Incurred But Not Reported Claims	743,071		743,071
5. POS Claims Payable (Reported)			0
6. POS Incurred But Not Reported Claims			0
7. Other Medical Liability			0
8. Unearned Premiums	1,267,361	XXX	1,267,361
9. Loans and Notes Payable		XXX	0
10. Amounts Due To Affiliates - Current	1,632,093	XXX	1,632,093
11. Aggregate Write-Ins for Current Liabilities	1,912,440	0	1,912,440
12. TOTAL CURRENT LIABILITIES (Items 1 to 11)	7,178,658	0	7,178,658
OTHER LIABILITIES:			
13. Loans and Notes Payable (Not Subordinated)		XXX	0
14. Loans and Notes Payable (Subordinated)		XXX	0
15. Accrued Subordinated Interest Payable		XXX	0
16. Amounts Due To Affiliates - Long Term		XXX	0
17. Aggregate Write-Ins for Other Liabilities	406,601	XXX	406,601
18. TOTAL OTHER LIABILITIES (Items 13 to 17)	406,601	XXX	406,601
19. TOTAL LIABILITIES	7,585,259	0	7,585,259
NET WORTH			
20. Common Stock	XXX	XXX	1,174,209
21. Preferred Stock	XXX	XXX	
22. Paid In Surplus	XXX	XXX	
23. Contributed Capital	XXX	XXX	
24. Retained Earnings (Deficit)/Fund Balance	XXX	XXX	3,440,337
25. Aggregate Write-Ins for Other Net Worth Items	XXX	XXX	62,518
26. TOTAL NET WORTH (Items 20 to 25)	XXX	XXX	4,677,064
27. TOTAL LIABILITIES AND NET WORTH	XXX	XXX	12,262,323
DETAILS OF WRITE-INS AGGREGATED AT ITEM 11 FOR CURRENT LIABILITIES			
1101. Accrued Labor and Benefits	750,398		750,398
1102. Accrued Other Expenses	362,478		362,478
1103. Other Current Liabilities	331,768		331,768
1104. Income Taxes Payable to Affiliate	467,796		467,796
1198. Summary of remaining write-ins for Item 11 from overflow page			0
1199. TOTALS (Items 1101 thru 1104 plus 1198)	1,912,440	0	1,912,440
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABILITIES			
1701. Deferred Federal Tax Liability - Long Term	329,617	XXX	329,617
1702. Deferred State Tax Liability - Long Term	76,984	XXX	76,984
1703.		XXX	0
1704.		XXX	0
1798. Summary of remaining write-ins for Item 17 from overflow page		XXX	0
1799. TOTALS (Items 1701 thru 1704 plus 1798)	406,601	XXX	406,601
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER NET WORTH ITEMS			
2501. Unrealized Gain/(Loss) on Securities Held for Sale	XXX	XXX	62,518
2502.	XXX	XXX	
2503.	XXX	XXX	
2504.	XXX	XXX	
2598. Summary of remaining write-ins for Item 25 from overflow page	XXX	XXX	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	XXX	XXX	62,518

STATEMENT AS OF 9-30-2003 OF 933-0171 Health Net Dental, Inc.

REPORT #2: REVENUE, EXPENSES AND NET WORTH

	1	2
	Current Period	Year-To-Date
REVENUES:		
1. Premiums (Commercial)	6,068,262	18,004,524
2. Capitation		
3. Co-payments, COB, Subrogation		
4. Title XVIII - Medicare	179,604	543,915
5. Title XIX - Medicaid	6,443,541	18,089,750
6. Fee-For-Service		
7. Point-Of-Service (POS)		
8. Interest	40,674	126,307
9. Risk Pool Revenue		
10. Aggregate Write-Ins for Other Revenues	32,067	97,177
11. TOTAL REVENUE (Items 1 to 10)	12,764,148	36,861,673
EXPENSES:		
Medical and Hospital		
12. Inpatient Services - Capitated		
13. Inpatient Services - Per Diem		
14. Inpatient Services - Fee-For-Service/Case Rate		
15. Primary Professional Services - Capitated	5,372,450	16,188,711
16. Primary Professional Services - Non-Capitated	2,977,184	8,831,447
17. Other Medical Professional Services - Capitated		
18. Other Medical Professional Services - Non-Capitated	110,308	331,910
19. Non-Contracted Emergency Room and Out-of-Area Expense, not including POS	19,609	55,363
20. POS Out-Of-Network Expense		
21. Pharmacy Expense - Capitated		
22. Pharmacy Expense - Fee-for-Service		
23. Aggregate Write-Ins for Other Medical and Hospital Expenses	0	0
24. TOTAL MEDICAL AND HOSPITAL (Items 12 to 23)	8,479,551	25,407,431
Administration		
25. Compensation	1,107,111	3,687,938
26. Interest Expense		
27. Occupancy, Depreciation and Amortization	377,070	1,144,897
28. Management Fees		
29. Marketing	926,231	3,044,801
30. Affiliate Administration Services	309,910	817,268
31. Aggregate Write-Ins for Other Administration	664,748	1,952,564
32. TOTAL ADMINISTRATION (Items 25 to 31)	3,385,070	10,647,468
33. TOTAL EXPENSES	11,864,621	36,054,899
34. INCOME (LOSS)	899,527	806,774
35. Extraordinary Item		
36. Provision for Taxes	375,603	342,995
37. NET INCOME (LOSS)	523,924	463,779
NET WORTH:		
38. Net Worth Beginning of Period	4,168,450	4,205,782
39. Audit Adjustments		
40. Increase (Decrease) in Common Stock		
41. Increase (Decrease) in Preferred Stock		
42. Increase (Decrease) in Paid in Surplus		
43. Increase (Decrease) in Contributed Capital		
44. Increase (Decrease) in Retained Earnings:		
45. Net Income (Loss)	523,924	463,779
46. Dividends to Stockholders		
47. Aggregate Write-Ins for Changes in Retained Earnings	0	0
48. Aggregate Write-Ins for Changes in Other Net Worth Items	-15,310	7,503
49. NET WORTH END OF PERIOD (Items 38 to 48)	4,677,064	4,677,064

STATEMENT AS OF 9-30-2003 OF 933-0171 Health Net Dental, Inc.

REPORT #2: REVENUE, EXPENSES AND NET WORTH

1	2	3
	Current Period	Year-to-Date
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR OTHER REVENUES		
1001. Administration Fees	32,067	97,177
1002.		
1003.		
1004.		
1005.		
1006.		
1098. Summary of remaining write-ins for Item 10 from overflow page		
1099. TOTALS (Items 1001 thru 1006 plus 1098)	32,067	97,177
DETAILS OF WRITE-INS AGGREGATED AT ITEM 23 FOR OTHER MEDICAL AND HOSPITAL EXPENSES		
2301.		
2302.		
2303.		
2304.		
2305.		
2306.		
2398. Summary of remaining write-ins for Item 23 from overflow page		
2399. TOTALS (Items 2301 thru 2306 plus 2398)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 31 FOR OTHER ADMINISTRATIVE EXPENSES		
3101. Insurance and Benefits	303,415	930,406
3102. Professional Services	21,585	135,887
3103. Supplies/Training/Other	270,462	686,073
3104. Postage and Shipping	3,134	14,650
3105. Telephone	60,338	173,558
3106. Equipment Rental	5,814	11,990
3198. Summary of remaining write-ins for Item 31 from overflow page		
3199. TOTALS (Items 3101 thru 3106 plus 3198)	664,748	1,952,564
DETAILS OF WRITE-INS AGGREGATED AT ITEM 47 FOR CHANGES IN RETAINED EARNINGS		
4701.		
4702.		
4703.		
4704.		
4705.		
4706.		
4798. Summary of remaining write-ins for Item 47 from overflow page		
4799. TOTALS (Items 4701 thru 4706 plus 4798)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 48 FOR CHANGES OF OTHER NET WORTH ITEMS		
4801. (Decrease) Increase in Market Value of Marketable Securities	-15,310	7,503
4802.		
4803.		
4804.		
4805.		
4806.		
4898. Summary of remaining write-ins for Item 48 from overflow page		
4899. TOTALS (Items 4801 thru 4806 plus 4898)	-15,310	7,503

REPORT #3: STATEMENT OF CASH FLOWS

1	2	3
	Current Period	Year-to-Date
CASH FLOW PROVIDED BY OPERATING ACTIVITIES		
1. Group/Individual Premiums/Capitation	6,084,632	17,605,330
2. Fee-For-Service		
3. Title XVIII - Medicare Premiums	179,604	543,915
4. Title XIX - Medicaid Premiums	6,443,541	18,089,750
5. Investment and Other Revenues	92,594	268,476
6. Co-Payments, COB and Subrogation		
7. Medical and Hospital Expenses	-8,710,722	-25,171,530
8. Administration Expenses	-3,434,589	-10,227,195
9. Federal Income Taxes Paid	-107,660	-15,598
10. Interest Paid		
11. NET CASH PROVIDED BY OPERATING ACTIVITIES	547,400	1,093,148
CASH FLOW PROVIDED BY INVESTING ACTIVITIES		
12. Proceeds from Restricted Cash and Other Assets		
13. Proceeds from Investments	95,000	1,894,095
14. Proceeds for Sales of Property, Plant and Equipment		
15. Payments for Restricted Cash and Other Assets		
16. Payments for Investments	0	-648,984
17. Payments for Property, Plant and Equipment		
18. NET CASH PROVIDED BY INVESTING ACTIVITIES	95,000	1,245,111
CASH FLOW PROVIDED BY FINANCING ACTIVITIES:		
19. Proceeds from Paid in Capital or Issuance of Stock		
20. Loan Proceeds from Non-Affiliates		
21. Loan Proceeds from Affiliates		
22. Principal Payments on Loans from Non-Affiliates		
23. Principal Payments on Loans from Affiliates		
24. Dividends Paid		
25. Aggregate Write-Ins for Cash Provided by Financing Activities	0	0
26. NET CASH PROVIDED BY FINANCING ACTIVITIES	0	0
27. NET INCREASE (DECREASE) IN CASH (Items 11, 18 & 26)	642,400	2,338,259
28. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE QUARTER	5,568,526	3,872,667
29. CASH AND CASH EQUIVALENTS AT THE END OF THE QUARTER	6,210,926	6,210,926
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
30. Net Income	523,924	463,779
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
31. Depreciation and Amortization	183,818	589,036
32. Decrease (Increase) in Receivables	118,479	-460,157
33. Decrease (Increase) in Prepaid Expenses	-39,126	88,282
34. Decrease (Increase) in Affiliate Receivables	-249,655	-112,777
35. Increase (Decrease) in Accounts Payable	55,766	-143,946
36. Increase (Decrease) in Claims Payable and Shared Risk Pool	-231,493	235,580
37. Increase (Decrease) in Unearned Premium	-102,108	60,963
38. Aggregate Write-Ins for Adjustments to Net Income	287,795	372,388
39. TOTAL ADJUSTMENTS (Items 31 through 38)	23,476	629,369
40. NET CASH PROVIDED BY OPERATING ACTIVITIES (Item 30 adjusted by Item 39 must agree to Item 11)	547,400	1,093,148
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR CASH FLOW PROVIDED BY FINANCING ACTIVITIES		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Item 25 from overflow page		
2599. TOTALS (Items 2501 thru 2503 plus 2598)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 38 FOR ADJUSTMENTS TO NET INCOME		
3801. Change in Other Assets	19,853	44,992
3802. Change In Net Deferred Income Taxes Payable	0	-69,193
3803. Change in Net Income Taxes Payable	267,942	396,589
3898. Summary of remaining write-ins for Item 38 from overflow page		
3899. TOTALS (Items 3801 thru 3803 plus 3898)	287,795	372,388

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REPORT #4: ENROLLMENT AND UTILIZATION TABLE

TOTAL ENROLLMENT

1	2	3	4	5	6	Total Member Ambulatory Encounters for Period			10	11	12
						7	8	9			
Source of Enrollment	Total Enrollees At End of Previous Period	Additions During Period	Terminations During Period	Total Enrollees at End of Period	Cumulative Enrollee Months for Period	Physicians	Non-Physicians	Total	Total Patient Days Incurred	Annualized Hospital Days/1000	Average Length of Stay
1. Group (Commercial)	192,420		1,766	190,654	578,533			0		0	
2. Medicare Risk	15,629		428	15,201	46,145			0		0	
3. Medi-Cal Risk	62,353		332	62,021	187,014			0		0	
4. Individual	27,709		44	27,665	83,152			0		0	
5. Point of Service				0				0			
6. Aggregate write-ins for Other	117,415	4,021	0	121,436	360,592	0	0	0	0	0	
7. Total Membership	415,526	4,021	2,570	416,977	1,255,436	0	0	0	0	0	
DETAILS OF WRITE-INS AGGREGATED AT ITEM 6 FOR OTHER SOURCES OF ENROLLMENT											
601. Small Group				0				0			
602. Healthy Families	117,415	4,021		121,436	360,592			0		0	
603. AIM				0				0			
604. Medicare Cost				0				0			
605. ASO				0		N/A	N/A	N/A	N/A	N/A	N/A
606. PPO				0				0			
607.				0				0			
608.				0				0			
609.				0				0			
610.				0				0			
611.				0				0			
612.				0				0			
Summary of remaining write-ins for 698. Item 6 from overflow page				0				0			
Totals (lines 601 through 612 plus 699. 698) (Line 6 above)	117,415	4,021	0	121,436	360,592	0	0	0	0	0	

Note: Line 1 includes membership and member months in Hawaii of 0 and 0, respectively, as of September 30, 2003.

SCHEDULE A-1 (CASH)

1	2	3
Name of Depository (List all accounts even if closed during the period)	Account Number	Balance*
1. N/A for quarterly filing		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9. Total Cash on Deposit		0
10. Cash on Hand (Petty Cash)		
11. Total Cash on Hand and on Deposit (Report #1, Part A, Line 1)		0

SCHEDULE A-2 RESTRICTED ASSETS

1	2	3
Name of Depository (List all accounts even if closed during period)	Account Number	Balance*
12. N/A for quarterly filing		
13.		
14.		
15.		
16.		
17.		
18.		
19. Total Restricted Assets		0

* Indicate the Balance Per the HMO's Records

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STATEMENT AS OF 9-30-2003 OF 933-0171 Health Net Dental, Inc.

SCHEDULE C - PREMIUMS RECEIVABLE (Other than Affiliates)

Individually list all debtors (commercial only) with account balances greater than 5% of gross Premiums Receivable. Group the total of all other premiums receivables and enter the total on the line titled, "Aggregate Accounts Not Individually Listed."

	1	2	3	4	5	6
	Name of Debtor	1-30 Days	31-60 Days	61-90 Days	Over 90 Days	Total
1.	N/A for quarterly filing					0
2.						0
3.						0
4.						0
5.						0
6.						0
7.						0
8.						0
9.						0
10.						0
11.						0
12.						0
13.						0
14.						0
15.						0
16.						0
17.						0
18.						0
19.						0
20.						0
21.						0
22.						0
23.						0
24.						0
25.						0
26.						0
27.						0
28.						0
29.						0
30.						0
31.						0
32.						0
33.						0
34.						0
35.						0
36.						0
37.						0
38.						0
39.						0
40.						0
41.						0
42.						0
43.						0
44.						0
45.						0
46.						0
47.						0
48.						0
49.						0
50.						0
51.						0
52.						0
53.						0
54.	Aggregate Accounts Not Individually Listed					0
55.	Total	0	0	0	0	0

STATEMENT AS OF 9-30-2003 OF 933-0171 Health Net Dental, Inc.

SCHEDULE D
HEALTH CARE RECEIVABLES &
AMOUNTS DUE FROM PARENT, SUBSIDIARIES, AND AFFILIATES

Individually list all debtors with account balances greater than 10% of gross Receivables. Group the total of all other receivables and enter the total on the line titled, "Aggregate Accounts Not Individually Listed."

	1 Name of Debtor	2 1-30 Days	3 31-60 Days	4 61-90 Days	5 Over 90 Days	6 Total
1.	Health Net of California, Inc.	152,449				152,449
2.	Health Net, Inc.	250,617				250,617
3.						0
4.						0
5.						0
6.						0
7.						0
8.						0
9.						0
10.						0
11.						0
12.						0
13.						0
14.						0
15.						0
16.						0
17.						0
18.						0
19.						0
20.						0
21.						0
22.						0
23.						0
24.						0
25.						0
26.						0
27.						0
28.						0
29.						0
30.						0
31.						0
32.						0
33.						0
34.						0
35.						0
36.						0
37.						0
38.						0
39.						0
40.						0
41.						0
42.						0
43.						0
44.						0
45.						0
46.						0
47.						0
48.						0
49.						0
50.						0
51.						0
52.						0
53.						0
54.	Aggregate Accounts Not Individually Listed	80,590	407	407	112	81,516
55.	Total	483,656	407	407	112	484,582

STATEMENT AS OF 9-30-2003 OF 933-0171 Health Net Dental, Inc.

SCHEDULE F - ACCOUNTS PAYABLE

Individually list all creditors with account balances greater than 5% of total trade accounts payable. Group the total of all other payables and enter the total on the line titled, "Aggregate Accounts Not Individually Listed - Due." Report accounts payable from the initial date of billing or due date under contract.

	1 Name of Debtor	2 1-30 Days	3 31-60 Days	4 61-90 Days	5 91-120 Days	6 Over 120 Days	7 Total
1.	N/A for quarterly filing						0
2.							0
3.							0
4.							0
5.							0
6.							0
7.							0
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16.							0
17.							0
18.							0
19.							0
20.							0
21.							0
22.							0
23.	Aggregate Accounts Not Individually Listed - Due						0
24.	Total	0	0	0	0	0	0

SCHEDULE G - UNPAID CLAIMS ANALYSIS

SECTION I - CLAIMS UNPAID

	1	2	3
Type of Claim	Reported Claims in Process of Adjustment	Estimated Incurred but Unreported	Total - Unpaid Claims (Columns 4+5 of Section II)
1. Inpatient Claims			0
2. Physician Claims	1,354,652	743,071	2,097,723
3. Referral Claims			0
4. Other Medical			0
5. TOTAL	1,354,652	743,071	2,097,723

SECTION II - ANALYSIS OF CLAIMS UNPAID - PREVIOUS YEAR (FILE ANNUAL ONLY)

1 Type of Claim	Claims Paid During the Fiscal Year		Unpaid Claims During the Fiscal Year			7 Estimated Liability of Unpaid Claims Prior to the first day of the Prior Year
	2 On Claims Incurred Prior to the first day of the Current Fiscal Year	3 On Claims Incurred During the Fiscal Year	4 On Claims Unpaid Prior to the first day of the Previous Fiscal Year	5 On Claims Incurred During the Year	6 Total Claims (Paid and Unpaid) for the Previous Fiscal Year (2+4)	
6. Inpatient Claims					0	
7. Physician Claims					0	
8. Referral Claims					0	
9. Other Medical					0	
10. TOTAL	0	0	0	0	0	0

SECTION III - INVENTORY OF CLAIMS TO BE PROCESSED*

1 Month Ending	2	3	4	5	6	7
	Beginning Balance Number of Claims in inventory on the 1st of each month	Add - Claims Received during the month	Deduct - Claims paid during the month	Deduct - Claims denied during the month	Add/Deduct - Adjustments	Ending Balance Number of claims in inventory at the end of the month
11. September 30, 2003	2,764	6,243	6,097	54	11	2,867
13. August 31, 2003	3,521	8,849	9,593	71	58	2,764
14. July 31, 2003	4,984	7,417	8,831	73	24	3,521
15. June 30, 2003	8,742	6,919	10,589	54	-34	4,984
16. May 31, 2003	9,232	8,967	9,359	47	-51	8,742
17. April 30, 2003	4,046	11,475	6,288	73	72	9,232
18. March 31, 2003	1,667	7,423	5,107	419	482	4,046
19. February 28, 2003	1,016	4,030	3,339	362	322	1,667
20. January 31, 2003	1,487	3,748	4,195	613	589	1,016
21. December 31, 2002	2,421	4,090	4,489	529	-6	1,487
22. November 30, 2002	1,927	4,166	3,281	393	2	2,421
23. October 31, 2002	2,323	4,150	3,963	574	-9	1,927

* Describe any significant changes reported on Schedule G, Section III in the Supplemental Schedule (Page 2).

STATEMENT AS OF 9-30-2003 OF 933-0171 Health Net Dental, Inc.

SCHEDULE H - AGING OF ALL CLAIMS

Age all claims on hand at the end of each month. Use the date of receipt to determine the number of days the claims is outstanding. The amount reported in Column 6 should equal the amount Reported on Schedule G, Section III, Column 7.

	1	2	3	4	5	6
1.	Month Ending	1-30 Days	31-60 Days	61-90 Days	Over 90 Days	Total
2.	September 30, 2003	2,859	8			2,867
3.	August 31, 2003	2,764				2,764
4.	July 31, 2003	3,314	207			3,521
5.	June 30, 2003	4,606	378			4,984
6.	May 31, 2003	5,997	2,745			8,742
7.	April 30, 2003	7,344	1,888			9,232
8.	March 31, 2003	3,378	668			4,046
9.	February 28, 2003	1,517	150			1,667
10.	January 31, 2003	991	25			1,016
11.	December 31, 2002	1,448	39			1,487
12.	November 30, 2002	2,373	48			2,421
13.	October 31, 2002	1,917	10			1,927

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STATEMENT AS OF 9-30-2003 OF 933-0171 Health Net Dental, Inc.

SCHEDULE I - ANALYSIS OF TOTAL MEDICAL LIABILITY TO ACTUAL CLAIMS PAID

Using the Plan's Lag Tables, complete the following table. Provide claim information the current quarter and the previous seven quarters. An actuarial certification may be submitted in lieu of this schedule.

Reported Accrual				
1	2	3	4	5
Quarter Ending Date	Total Medical Liability*	Amount Paid-To-Date	Difference - Column (2-3)	Outstanding Liability (Based on plan's lag
1. September 30, 2003	2,097,723	XXX	2,097,723	2,097,723
2. June 30, 2003	2,396,160	1,634,178	761,982	406,892
3. March 31, 2003	2,526,004	2,186,954	339,050	150,656
4. December 31, 2002	1,929,087	1,694,452	234,635	48,853
5. September 30, 2002	1,740,121	1,438,818	301,303	16,481
6. June 30, 2002	1,476,276	1,405,173	71,103	5,747
7. March 31, 2002	1,139,141	1,115,635	23,506	1,347
8. December 31, 2001	1,308,215	1,219,556	88,659	276

* Should tie to Report #1, Part B, Columns 1 & 2, Lines 3 through 7.

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NOTES TO FINANCIAL STATEMENTS	
1.	See separate attachment for notes to financial statements.
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STATEMENT AS OF 9-30-2003 OF 933-0171 Health Net Dental, Inc.

KNOX-KEENE
SUPPLEMENTAL INFORMATION
PURSUANT TO SECTIONS 1300.84.06, 1300.84.2 AND 1374.68

	1	2	3	4	5
A.	Explanation of the method of calculating the provision for incurred and unreported claims:				
1.	Provisions for incurred and unreported claims are based on actuarial evaluations of providers' claims submitted and include provisions for incurred but unreported claims.				
B.	Accounts and Notes Receivable from officers, directors, owners or affiliates, as detailed below:				
	Name of Debtor	Nature of Relationship	Nature of Receivable	Amount	Terms
2.	See Attachment II			484,582	< year
3.					
4.					
5.					
6.					
C.	Donated materials or services received by the reporting entity for the period of the financial statements, as detailed below:				
	Donor's Name	Affiliation with Reporting Entity	Valuation Method	Amount	
7.	N/A				
8.					
9.					
10.					
11.					
D.	Forgiven debt or obligations, as detailed below:				
	Creditor's Name	Affiliation with Reporting Entity	Summary of How Obligation Arose	Amount	
12.	N/A				
13.					
14.					
15.					
E.	Calculation of Tangible Net Equity (TNE) and Required TNE in accordance with Section 1300.76 of the Rules:				
16.	Net Equity			\$	4,677,064
17.	Add: Subordinated Debt			\$	
18.	Less: Receivables from officers, directors, and affiliates			\$	520
19.	Intangibles			\$	
20.	Tangible Net Equity (TNE)			\$	4,676,544
21.	Required Tangible Net Equity (See Page 22)			\$	1,029,165
22.	TNE Excess (Deficiency)			\$	3,647,379
F.	Percentage of administrative costs to revenue obtained from subscribers and enrollees:				
23.	Revenue from subscribers and enrollees			\$	12,691,407
24.	Administrative Costs			\$	3,385,070
25.	Percentage				27
26.	The amount of health care expenses incurred during the six month period immediately preceding the date of the report which were or will be paid to noncontracting providers or directly reimbursed to subscribers and enrollees:			\$	40,078
27.	Total costs for health care services for the immediately preceding six months:			\$	17,109,996
28.	Percentage				0

		1
G. If the amount of health care expenses incurred during the six month period immediately preceding the date of the report which <u>were or will be</u> paid to noncontracting providers or directly reimbursed to subscribers and enrollees exceeds 10% of the total costs for health care services for the immediately preceding six months, the following information, determined as of the date of the reports, shall be provided:		
29. Amount of all claims for noncontracting provider services received for reimbursement but not yet processed:		\$
30. Amount of all claims for noncontracting provider services denied for reimbursement during the previous 45 days:		\$
31. Amount of all claims for noncontracting provider services approved for reimbursement but not yet paid:		\$
32. An estimate of the amount of claims for noncontracting provider services incurred, but not reported:		\$
33. Compliance with Section 1377(a) as determined in accordance with such section, as follows:		
34.	Cash & cash equivalents maintained	\$
35.	Noncontracting provider claims (aggregate of total of items 29 - 32 above)	\$ 0
36.	Cash & cash equivalents reported to be maintained (120% x Line 35)	\$ 0
37.	Deposit required (100% of Line 36)	\$ 0
38.	Excess (deficient) reserves (Line 34 - Line 37)	\$ 0
Percentage of premium revenue earned from point-of-service plan contracts:		
39. Premium revenue earned from point-of-service plan contracts		\$
40. Total premium revenue earned		\$ 12,691,407
41. Percentage		0
Percentage of total health care expenditures incurred for enrollees for out-of-network services for point-of-service enrollees:		
42. Health care expenditures for out-of-network services for point-of-service enrollees		\$
43. Total health care expenditures		\$ 8,479,551
44. Percentage		0
45. Point-of-Service Enrollment at end of period		
Total Ambulatory encounters for period for point-of-service enrollees:		
46. Physician		
47. Non-Physician		
48. Total		0
49. Total Patient Days Incurred for Point-of-Service enrollees		
50. Annualized Hospital Days/1000 for Point-of-Service enrollees		
51. Average Length of Stay for Point of Service enrollees		
52. Compliance with Section 1374.68(a) as follows:		
53. Current Monthly Claims Payable for out-of-network coverage or services provided under Point-of-Service Contracts:		\$
54. Current monthly incurred but not reported claims balance for out-of-network coverage or services provided under Point-of-Service contracts		\$
55. Total		\$ 0
56. Total times 120%		\$ 0
57. Deposit (Greater of Line 56 or minimum of \$200,000)		\$

STATEMENT AS OF 9-30-2003 OF 933-0171 Health Net Dental, Inc.

REQUIRED TANGIBLE NET EQUITY (TNE) CALCULATION:
TNE required must be equal to the GREATER of "A" "B" or "C" below (See Rule 1300.76)

	Full Service Plans		Specialized Plans	
		1		2
A.	Minimum TNE Requirement	\$ 1,000,000	Minimum TNE Requirement	\$ 50,000
B.	REVENUES:			
1.	2% of the first \$150 million of annualized premium revenues	\$	2% of the first \$7.5 million of annualized premium revenue	\$ 150,000
	Plus		Plus	
2.	1% of annualized premium revenues in excess of \$150 million	\$	1% of annualized premium revenue in excess of \$7.5 million	\$ 413,509
3.	Total	\$ 0	Total	\$ 563,509
C.	HEALTHCARE EXPENDITURES:			
4.	8% of the first \$150 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$	8% of the first \$7.5 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$ 600,000
	Plus		Plus	
5.	4% of annualized health care expenditures in excess of \$150 million except those paid on a capitated or managed hospital payment basis.	\$	4% of annualized health care expenditures in excess of \$7.5 million except those paid on a capitated or managed hospital payment basis.	\$ 191,665
	Plus		Plus	
6.	4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$	4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$
7.	Total	\$ 0	Total	\$ 791,665
8.	Required "TNE" - Greater of "A" "B" or "C"	\$	Required "TNE" - Greater of "A" "B" or "C"	\$ 1,029,165

KNOX -KEENE
SUPPLEMENTAL INFORMATION
PURSUANT TO SECTIONS 1374.64

POINT OF SERVICE TANGIBLE NET EQUITY CALCULATION

Calculation of Tangible Net Equity and required Tangible Net Equity in accordance with Section 1374.64:

		1
1. Net Equity	\$	4,677,064
2. Add: Subordinated Debt	\$	
3. Less: Receivables from officers, directors, and affiliates	\$	
4. Intangibles	\$	
5. Tangible Net Equity (TNE)	\$	4,677,064
6. Required Tangible Net Equity (From Line 10 or 13 below)	\$	
7. TNE Excess (Deficiency)	\$	4,677,064
ADJUSTED MINIMUM TANGIBLE NET EQUITY CALCULATION (Complete Section I or II):		
I. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(1) or (2):		
8. Minimum TNE as calculated under Rule 1300.76 (a)(1) or (2)	\$	
9. 10% of annualized health care expenditures for out-of-network service for point-of-service enrollees	\$	
10. Add lines 8 and 9	\$	0
II. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(3):		
<u>PART A</u>		
11. Minimum TNE as recalculated to exclude annualized healthcare expenditures for out-of-network services for point-of-service enrollees (attach worksheet Page 24)	\$	
12. 10% of annualized health care expenditures for out-of-network services for point-of-service enrollees	\$	
13. Add lines 11 and 12	\$	0
III. MINIMUM TNE REQUIREMENT TO DETERMINE MONTHLY REPORTING		
14. Line 5 (above)	\$	4,677,064
15. Multiply Line 6 (above) by 130%	\$	0
16. Difference (Line 14 - Line 15)	\$	4,677,064
If Line 14 is less than Line 15, then monthly reporting is required		

STATEMENT AS OF 9-30-2003 OF 933-0171 Health Net Dental, Inc.

WORKSHEET FOR ADJUSTED TANGIBLE NET EQUITY CALCULATION

	1 Full Service Plans	2 Specialized Plans
1. Health care expenditures for period	\$ <input type="text"/>	\$ <input type="text"/>
Less:		
2. Capitated or managed hospital payment basis expenditures	<input type="text"/>	<input type="text"/>
3. Health care expenditures for out-of-network services for point-of-service enrollees	<input type="text"/>	<input type="text"/>
4. Result	<input type="text" value="0"/>	<input type="text" value="0"/>
5. Annualized	<input type="text"/>	<input type="text"/>
6. Reduce to maximum of \$150 million	<input type="text"/>	<input type="text"/>
7. Multiply by 8%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
Plus		
8. Annualized health care expenditures except those paid on a capitated or managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ <input type="text"/>	\$ <input type="text"/>
9. Less \$150 million	<input type="text"/>	<input type="text"/>
10. Multiply by 4%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
Plus		
11. Annualized hospital expenditures paid on a managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ <input type="text"/>	\$ <input type="text"/>
12. Multiply by 4%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
13. Total	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>

STATEMENT AS OF 9-30-2003 OF 933-0171 Health Net Dental, Inc.

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